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C.I.A.'s Report Revives Soviet-Growth Debates

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WASHINGTON, March 28 — The Central Intelligence Agency has concluded that the Soviet economy significantly improved last year, putting the agency at odds with some Western specialists, who say the Soviet Union has modified statistical procedures to conceal economic problems.

In recent months, Western experts have been debating the meaning of the statistical changes. Jan Vanous of PlanEcon Inc., a Washington consulting firm on Soviet-bloc economies, has said that national income statistics, an indicator of overall economic growth, have been manipulated. His assessment has been disputed by others, and they are now drawing on a C.I.A. report to back up their case.

"The agency is saying that last year showed a good result in the economy," said Daniel L. Bond, director of research at Wharton Econometrics. "This is in conflict with some in the West who say that it was a bad year and tried to cover this up by distorting the statistical reporting."

Hewett Doubts Conscious Effort

Another specialist on the Soviet economy, Ed A. Hewett of the Brookings Institution, said, "The C.I.A. does not share the view that that there is a conscious effort to mislead on overall economic growth."

The C.I.A. views are reflected in a report prepared jointly with the Defense Intelligence Agency on Mikhail S. Gorbachev's program and have been expressed in private conversations with specialists on the Soviet Union.

The report by the two intelligence agencies, which was prepared for the Joint Economic Committee of Congress and was made public this week, said that 1986 "turned out to be a very good year for the economy." Specifically, the report noted that the Soviet gross national product grew by more than 4 percent, the highest rate of growth in a decade.

The report said that Mr. Gorbachev's policies were only partly responsible for the improvement, adding that the gains were also the result of changes instituted by his predecessors and of good weather that helped lead to "record farm output."

The report predicted that Mr. Gorbachev would have "some success" in improving economic growth over the next several years as his program to improve incentives for managers and workers was carried out. The report noted that his priority on investment in machinery industries should also encourage economic growth.

But the report voiced doubt that an annual 4 percent growth rate could be sustained through the five-year plan ending in 1990. It said Mr. Gorbachev's efforts to upgrade the economy did not reflect "a viable, integrated plan for modernization." Rather, the report added, "we see many individual programs being put forth, each dealing with one facet of the economy."

The C.I.A. assessment is a new element in the debate over the meaning of the Soviet statistical changes. In that debate, Mr. Vanous and others believe that the Soviet statistical agency has modified its method for calculating retail sales, an element of national income, to compensate for a decline in the sale of alcohol as a result of an anti-alcoholism campaign.

Mr. Vanous has suggested that this was done for domestic purposes by critics of Mr. Gorbachev who want to cover up the problems to undercut the case for economic reform. Mr. Vanous said in an interview that the C.I.A. assessment was "overly optimistic."

But other experts disputed Mr. Vanous's view. Mr. Bond said the Russians "were not as open as they should have been" about their changed method for dealing with the reduced alcohol sales. But he said that nations sometimes changed their method for developing economic statistics and that the changes could be justified.

Mr. Hewett of the Brookings Institution said that there were inconsistencies in Soviet data, particularly relating to the treatment of alcohol sales.

"But we are not talking about a general problem with Soviet statistics," he said.

The Russians have not publicly explained the presumed change in statistical procedures. The specific change has to do with how the Russians treat the large tax on the sale of alcohol in calculating retail sales.

Some experts believe that the contribution of the alcohol sales was probably inflated in the past. They say that this was probably done by including a large tax in calculating retail sales, which in turn are used in national income calculations.

Now that the sale of alcohol is down, the Russians are thought to be excluding the tax from their retail sale figures, thus minimizing the effect of the downturn in alcohol sales.

Some experts say Soviet statisticians could make an argument that the tax should not have been included in the first place. But they say that the Russians should publicly address this issue and show how their calculations would look under both sets of assumptions.